

**Texas Department of Insurance, Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1609

**MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION****PART I: GENERAL INFORMATION**

Requestor's Name and Address:  TEXAS HEALTH HEB 3255 WEST PIONEER PARKWAY ARLINGTON TX 76013	MFDR Tracking #:	M4-10-4496-01
	DWC Claim #:	
	Injured Employee:	
Respondent Name and Box #:  NEW HAMPSHIRE INSURANCE COMPANY  Rep Box #: 19	Date of Injury:	
	Employer Name:	
	Insurance Carrier #:	

**PART II: REQUESTOR'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION**

**Requestor's Rationale for Increased Reimbursement:** "HRA has been hired by Texas Health HEB to audit their Workers Compensation claims. We have found in this audit they have not paid what we determine as a 'fair and reasonable' amount for this outpatient surgery. Medicare would have reimbursed the provider at the base APC rate of \$2962.92 for APC # 0051. Allowing this at 200% would yield a fair and reasonable allowance of \$5925.84. Based on their payment of \$5,598.50, for the APC a supplemental payment is still due of \$327.34 for the APC allowable still due."

Principle Documentation:

1. DWC 60 package
2. Hospital Bill(s)
3. Explanation of Benefits (EOBs)
4. Total Amount Sought \$327.34

**PART III: RESPONDENT'S POSITION SUMMARY AND PRINCIPLE DOCUMENTATION**

**Respondent's Position Summary:** "The insurance carrier has reviewed the Medical Fee Dispute Resolution Request/Response (DWC-60). In reviewing the report, it is the carrier's position that the medical bill paid correctly per the MAR Value."

Principle Documentation:

1. Response package

**PART IV: SUMMARY OF FINDINGS**

Date(s) of Service	Services in Dispute	Calculation	Amount in Dispute	Amount Due
11/16/09 Through 11/19/09	Hospital Outpatient Surgical Services CPT Code 23410	CPT Code 23410: \$2,962.92 (APC + Outlier) x 200% = \$5,925.84 - \$5,598.50 (Paid by Respondent) = \$327.34 (Due Requestor)	\$327.34	\$327.34
Total Due:				\$327.34

**PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION**

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division Rule §134.403, titled **Hospital Facility Fee Guideline – Outpatient**, effective for medical services provided on or after March 1, 2008, set out the reimbursement guidelines for Hospital outpatient services.

This dispute was filed in the form and manner as prescribed by 28 TAC §133.307 and meets the requirements for medical dispute resolution under 28 TAC §133.305 (a)(4).

1. The disputed services were denied or reduced by the insurance carrier based upon:

Explanation of benefits dated 02/08/10 noted claim reduction code:

- W1 — Workers Compensation Fee Schedule Adjustment.

Explanation of benefits dated 05/13/10 noted claim reduction code:

- W1 — Workers Compensation Fee Schedule Adjustment.

2. Division rule at 28 TAC §134.403 (e) states in pertinent part, "Regardless of billed amount, reimbursement shall be:

- (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code 413.011; or
- (2) if no contracted fee schedule exists that complies with Labor Code 413.011, the maximum allowable reimbursement (MAR) amount under subsection (f), including any applicable outlier payment amounts and reimbursement for implantables."

3. Pursuant to Division rule at 28 TAC §134.403(f), "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied.

- (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
  - (A) 200 percent; unless
  - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent."

4. Upon review of the documentation submitted by the requestor and respondent, the Division finds that:

- (1) No documentation was found to support a contractual agreement between the parties to this dispute;
- (2) MAR can be established for these services; and
- (3) Separate reimbursement for implantables was *NOT* requested by the requestor.

5. Under the Medicare Outpatient Prospective Payment System (OPPS), all services paid under OPPS are classified into groups called Ambulatory Payment Classifications or APCs. Services in each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC for an encounter. Within each APC, payment for ancillary and supportive items and services is packaged into payment for the primary independent service. Separate payments are not made for a packaged service, which is considered an integral part of another service that is paid under OPPS. An OPPS payment status indicator is assigned to every HCPCS code. Status codes are proposed and finalized by Medicare periodically. The status indicator for each HCPCS codes is shown in OPPS Addendum B which is publicly available through the Centers for Medicare and Medicaid services. A full list of status indicators and their definitions is published in Addendum D1 of the OPPS proposed and final rules each year which is also publicly available through the Centers for Medicare and Medicaid services.

6. The requestor lists CPT code 23410 as the code in dispute.

7. CPT code 23410, billed under Revenue Code 0360 is considered a Status T code. This Code has a payment indicator of T which indicates outpatient significant procedure subject to multiple procedure discounting. The highest paying Status T APC, CPT Code 23410, is paid at 100%; all others are paid at 50%. This amount multiplied by 200% is the MAR. This code is reimbursed according to 28 TAC §134.403(f)(1)(A) as follows:  $\$2,962.92 \times 200\% = \$5,925.84$ . The respondent paid \$5,598.50, leaving a balance due requestor of \$327.34.

Based upon the documentation submitted by the parties and in accordance with Texas Labor Code Sec. 413.031 (c), the Division concludes that the requestor is due additional payment. As a result, the amount ordered is \$327.34.

**PART VI: GENERAL PAYMENT POLICIES/REFERENCES**

Texas Labor Code Sec. §413.011(a-d), §413.031 and §413.0311  
28 TAC Rule §134.403, §133.307 and §133.305

**PART VII: ORDER**

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031 and §413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby **ORDERS** the respondent to remit to the requestor the amount of \$327.34 plus applicable accrued interest per Division rule at 28 Tex. Admin. Code §134.130, due within 30 days of receipt of this Order.

**August 11, 2010**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Medical Fee Dispute Resolution Officer

\_\_\_\_\_  
Date

**PART VIII: YOUR RIGHT TO REQUEST AN APPEAL**

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division Rule 148.3(c).

Under Texas Labor Code Section 413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code Section 413.031.

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**